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FOOD STAMP PROGRAM

A GUIDE
FOR RETAILERS
AND
WHOLESALEERS

U.S. DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE
PROGRAM AID NO. 534
Revised August 1975

FOOD STAMPS HELP

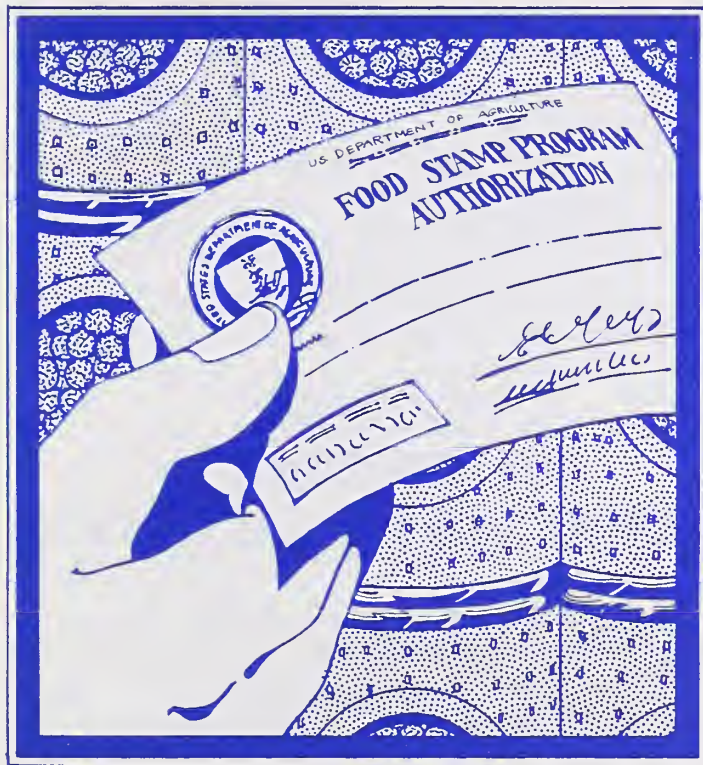
The Food Stamp Program enables low-income families to buy more food of greater variety so that they can have better diets. In this way, it helps improve the health of the Nation's low-income families. By helping low-income families, the Food Stamp Program also benefits their communities and increases retail food sales because of the greater buying power of food stamp customers. Food coupons are issued to households determined by public welfare agencies to be in need of food assistance. Food stamp participants buy some coupons and receive, in addition, bonus, or free, coupons. In this way, families use their coupons to increase their food purchases.

This booklet is designed to explain some of the rules of program operation. With your aid, the Food Stamp Program will be a success in this community.

HOW TO APPLY

Food retailers and wholesalers who wish to be part of this program may get an application by calling or writing the local Food and Nutrition Service Field Office, USDA.

When you receive the application, answer all of the questions and check the items that apply to your business. Keep in mind that false answers or incomplete applications may result in denial or withdrawal of approval to participate. Complete and sign the application and return it to the Food and Nutrition Service Field Office. You may be asked to visit the office for a personal interview or you may be visited by a food stamp representative before you are authorized.



AUTHORIZATION

All authorized firms will be issued a Food Stamp Authorization Card. Keep it in the store. The first time you redeem coupons you should take your authorization card with you. Your authorization is **nontransferable**. If there is any change in the ownership of your firm or if you move or close your store, your authorization card is void and must be returned to your local Food and Nutrition Service Field Office. The card is pre-stamped and pre-addressed for mailing.

Food coupons cannot be accepted by a firm before receiving the authorization card, or after it is withdrawn or surrendered.

ELIGIBLE FOODS

Food coupons can be accepted for any food or food product for human consumption and for seeds and plants used in a home garden to produce food for the eligible household. Alcoholic beverages and tobacco may not be purchased with food coupons. “Lunch counter” items or foods prepared to be eaten on the premises are not eligible for purchase with food coupons. Food coupons may not be accepted for nonfood items, and food coupons may never be exchanged for cash. Food coupons may not be used to pay for bottle or other container deposits. Retailers must inform clerks of these rules concerning the use of food coupons.

As an authorized retailer, you receive an official food list containing the above information. This list must be prominently displayed in

your store. For easy reference, you should post the list near the check-out counter. It is vitally important that only eligible foods be sold for food coupons. Food stamp families receive only enough coupons to purchase an adequate diet. The program is designed to leave each participating family cash to buy nonfood items. If food coupons are used for nonfood purchases, low-income families will continue to suffer from hunger and poor health.

IDENTIFY FOOD STAMP CUSTOMER

Food stamp customers have been advised to tell retailers they are using food coupons when they reach the check-out counter. Many stores find that a sign or poster placed at the check-out counter reminding food stamp

customers to identify themselves is quite helpful.

It is not necessary to request the customer to present his Food Stamp Identification Card before every purchase. However, if you have any reason to believe that a customer presenting coupons has no right to their possession, you should ask the customer to show his identification card.

SEPARATE ELIGIBLE FOODS

Food stamp customers have been advised to separate eligible food items from the rest of the order to make it easier to total the coupon and cash amounts and to speed up the check-out time. On occasion, it may be necessary for retailers to assist customers in separating eligible from ineligible items prior

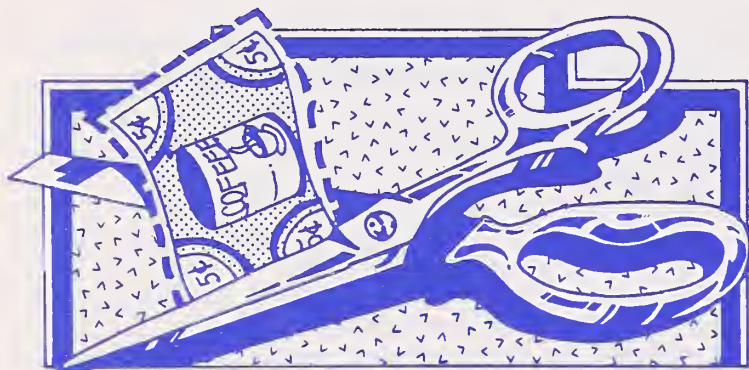
to ringing up the sale. Here again, many stores find that it is helpful to place a sign or poster at the check-out counter reminding food stamp customers to separate their ineligible items for cash payment.

SALES TAX

Food coupons may be accepted for payment of sales tax on eligible foods purchased with coupons—another reason for separating eligible items.

HANDLING “CENTS-OFF” COUPONS

If a store accepts newspaper and manufacturers' “cents-off” coupons from cash customers as a discount on food items, it



must honor these coupons when presented by food stamp customers. However, cash refunds must not be given customers using “cents-off” coupons in connection with food stamp purchases. Merchants may either deduct the “cents-off” value from the total of the purchase before collecting for the sale or they may offer the customer the option of one of the following: (1) trading out the value of the “cents-off” coupons for eligible food or (2) receiving a credit slip for 99 cents or less plus the appropriate number of \$1 coupons.

COUPON PAYMENT

Coupons come in three denominations—brown \$1 coupons, purple \$5 coupons and blue-green \$10 coupons. Purple \$5 coupons and blue-green \$10 coupons, whether loose or still attached to the coupon book, must be presented with the coupon book cover which bears the same serial number as the individual coupons. Brown \$1 coupons, however, are used as change and may be accepted loose **without** the matching coupon book. It is the right of the recipient to tear the coupons from his book.

CHANGEMAKING

For every \$1 of change due, you must give the customer a \$1 coupon that has NOT been canceled or endorsed. The \$1 coupons are

the only food coupons which may be returned to the customer as change. Always keep an ample supply of them on hand for change purposes. Remember, cash may not be given in change in place of \$1 coupons.

When the amount of change due is less than \$1, it is the **food stamp customer's option to:** (1) Accept a credit slip for 99 cents or less, **or** (2) "Trade Out" for eligible foods, **or** (3) Pay the store the difference in cash. No pressure should be put on the customer regarding which option he should select.

Because of requirements on the type of credit slips which may be used, retailers may find it helpful to use preprinted credit slips. Credit slips may not exceed 99 cents in a single transaction. All credit slips issued must show the amount of credit and the store where the credit slips are redeemable. In addition, credit slips must bear language similar to the following: redeemable only for



eligible food at (name of the store). Tokens or credit slips used for change in coupon transactions must meet the requirements listed in Part 272.2 (e) of the Food Stamp Program Regulations.

NO RETENTION OF COUPONS

Coupon books must be kept in the possession of the households to which they

are issued. Under no circumstances should books with unused coupons be left with retailers.

NO CREDIT ACCOUNTS

Coupons cannot be used to pay for credit or charge accounts—they must be used at the time of purchase.

EMPLOYEE TRAINING

Store managers should instruct both full- and part-time employees on how to handle food coupon transactions properly. This instruction must occur before they begin handling transactions. It is also advisable to hold periodic refresher training sessions with employees. This will minimize both the chance of errors and the possibility of violations.

Violations can cause the cancellation of a store's authorization to participate in the program, as well as other penalties. The local food stamp representative will gladly give any desired assistance in training personnel; he can also provide retailers with copies of a cashier's training manual detailing the cashier's responsibilities in the handling of food coupons.

CUSTOMER RELATIONS

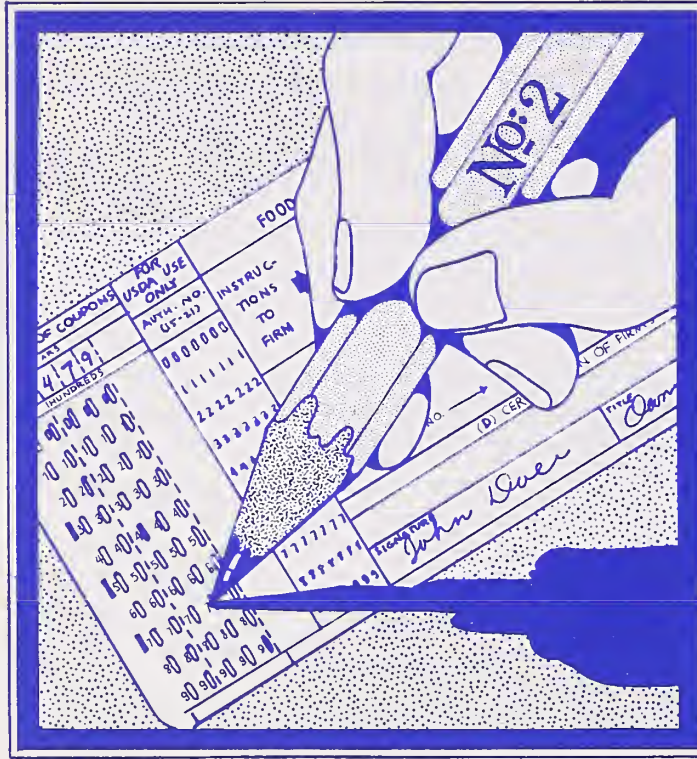
Food coupon customers should be treated in the same polite manner in which you treat other cash customers. If your store gives trading stamps, food stamp customers are entitled to receive these trading stamps. Food stamp customers are not entitled to any preferential treatment.

REDEEMING FOOD COUPONS

Authorized retailers and wholesalers may redeem food coupons at any participating bank. Authorized retailers also may redeem food coupons through authorized wholesalers. Before redemption, separate the coupons by denomination. Each coupon must be endorsed with the authorization number or name of the unit redeeming it. An ordinary deposit endorsement stamp may be used if the stamp includes the name **or** authorization number of the store. Coupons may be redeemed for cash or credit. When redeeming coupons, retailers must fill out the Food Stamp Redemption Certificate; wholesalers must fill out the wholesaler's redemption certificate. Wholesalers' redemption certificates must be accompanied by the completed retailers' redemption certificates.

FILLING OUT THE REDEMPTION CERTIFICATE

Using a #2 pencil only, retailers should fill out the Food Stamp Redemption Certificate in the following manner: Item (A) Enter the total value of the coupons you are giving to your bank or wholesaler in the squares at the top; in the vertical column below each square, draw a single vertical line through the box which matches the figure you entered in the square above. Mark only one box in each column. Make sure the vertical line stays within the box, like this: 4@. Item (B) The firm's name, address, and food stamp authorization number have been preprinted. Item (C) Enter the name and address of the bank or wholesaler redeeming your coupons. Item (D) The firm representative must sign his name, show his



title and the date. ***Please remember, you must use a #2 pencil in filling out the certificate.*** New supplies of certificates will automatically be sent to you. If you run out before your new supply arrives, contact your local food stamp representative. Never borrow certificates from another retailer.

Complete instructions for filling out the Wholesaler's Food Stamp Program Redemption Certificate are on the left-hand side of every wholesaler's redemption certificate. All redemption certificates received from retailers must be attached.

RETAILERS DO...

- Read parts 270, 272, and 273 of the Food Stamp Program Regulations carefully.
- Post the Official Food List.
- Instruct employees on handling food coupon transactions.
- Ask customers for Food Stamp Identification Card if necessary to prove their right to the coupons.
- Accept loose \$5 and \$10 coupons only if presented with the coupon book cover bearing the same serial number as the coupons.
- Accept coupons only for eligible foods.
- Give an unendorsed \$1 coupon for every \$1 of change due.
- If change is due, give the customer the choice of: credit slip, trading out, or paying store in cash.
- Mark or stamp store name or authorization number on coupons before redemption.
- Use a #2 pencil to fill out the redemption certificate.
- Use banks to redeem coupons when possible.

RETAILERS DON'T...

- Accept coupons before authorization.
- Accept canceled or endorsed coupons, or coupons marked "specimen".
- Accept coupons for tobacco or alcoholic beverages or any nonfood items (except seeds and plants).
- Accept coupons for payment of bottle or other container deposits.
- Exchange cash for coupons.
- Give a credit slip for more than 99 cents in a single transaction.
- Give canceled or endorsed \$1 coupons as change.
- Accept coupons for payment on credit accounts.
- Give cash as change.



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